Scancell Holdings plc

31 January 2011

Scancell Holdings Plc

("Scancell" or the "Company")

Unaudited Interim Results
for the six month period to 31st October 2010

Scancell Holdings plc, the developer of therapeutic cancer and infectious disease vaccines based on its patented Immunobody® platform, is pleased to announce the interim results for the six month period ended 31st October 2010.

Highlights:

- Successful progression of SCIB1, Scancell's lead vaccine for melanoma, which entered clinical trials in June 2010
- Raised £2.5 million in April 2010 with new and current shareholders
- Moved from PLUS to AIM in July 2010
- Secured licensing agreements with:
  - the National Institutes of Health (an agency of the United States Department of Health and Human Services); and
  - Cancer Research Technology Ltd (Cancer Research UK's commercialisation and development arm)
- Entered strategic collaborations with:
  - ImmuneRegen BioSciences, Inc.®; and
  - immatics biotechnologies GmbH

Post-period Highlights:

- Four patients recruited to date for the clinical trials
- Approval obtained to open a fourth UK patient recruitment site and to expand the patient population in the Phase I part of the study, to include all patients with Stage III and Stage IV malignant melanoma
- Escalation of the dose and recruitment of the next group of patients in SCIB1 trial approved by the Cohort Review Committee

For further information contact:

Scancell Holdings Plc Professor Lindy Durrant	+ 44 (0)207 245 1100
Hansard Communications Kirsty Corcoran/Adam Reynolds	+ 44 (0)207 245 1100
Zeus Capital - Nominated Adviser/Joint Broker Ross Andrews/Tom Rowley	+ 44 (0)161 831 1512
Matrix Corporate Capital LLP - Joint Broker Robert Naylor/Stephen Waterman	+44 (0)20 3206 7340

CHAIRMAN'S STATEMENT

In the six months to 31st October 2010 Scancell successfully met the commercial and scientific objectives it had set out in line with the Company's strategy in what proved to be an exciting and busy period. The progression of Scancell's first vaccine, SCIB1 for melanoma which entered clinical trials in June 2010, was a particular highlight. Having successfully raised £2.5 million in April 2010, the Company also moved from PLUS to AIM in July 2010.

Financial

Profit and Loss Account

The Company made an overall operating loss for the six month period to 31st October 2010 of £835,540 (2009: restated loss of £661,794). The reduction in direct costs reflects the slower than anticipated recruitment of patients for the clinical trials. An increase in administrative costs has arisen as the company has increased the costs of protecting its intellectual property and incurred "one-off" costs in moving to AIM. Overall the loss for the six month period was £802,170 (2009: restated loss £626,126).

Balance Sheet

The cash at bank at 31st October 2010 was £1,740,925 (2009: £1,104,229).

SCIB1 Phase I Clinical Trial

During the period, Scancell met an important milestone when SCIB1, its ImmunoBody® vaccine being developed for the treatment of melanoma, entered clinical trials. Following receipt of the Clinical Trial Approval in May 2010 from the Gene Therapy Advisory Committee and the Medicines and Healthcare Products Regulatory Agency Medicines Division, Scancell was able to commence its Phase I clinical trial of SCIB1 in June 2010. All patients in the clinical trial are being treated with Scancell's SCIB1 vaccine which is being delivered using Ichor Medical Systems' TriGrid™ electroporation delivery device. To date, four patients have been enrolled on the trial, which is currently taking place at three centres and is evaluating the safety and tolerability of SCIB1 in patients with late stage (Stage IV or inoperable Stage III) melanoma.

During the past year, data has emerged from studies of two new treatments in Stage IV melanoma patients: firstly, a study of PLX 4032, a B-raf inhibitor, demonstrated a survival benefit versus decarbazine (although the magnitude of the response has not yet been reported) in patients with the BRAF gene mutation (50-60% of patients); secondly, a Phase III trial of the anti-CTLA4 monoclonal antibody ipilimumab demonstrated prolonged survival, with 23.5% of treated patients still alive after two years. Ipilimumab is expected to receive approval for use in patients with advanced metastatic melanoma later this year, although it can also cause potentially life-threatening side effects. Despite these advances there is still a profound need for more effective and safer treatments of this devastating disease.

With these two trials running, the recruitment rate of patients for Scancell's Phase I study has been slower than anticipated, as some otherwise suitable patients have been recruited into B-raf studies or offered ipilimumab on a compassionate use basis. By the time the patients have failed to respond to one of these treatments, they are often too ill to enter the SCIB1 trial.

The Company is pleased to have obtained the approval from the Gene Therapy Advisory Committee ('GTAC') and the Medicines and Healthcare products Regulatory Agency ('MHRA') Medicines Division to open a fourth trial centre in Leeds. This approval along with that of Scancell's protocol amendment allowing inclusion of all Stage III and Stage IV malignant melanoma patients, is expected to improved recruitment in 2011. These earlier stage patients are anticipated to make better immune responses (as late stage cancer patients often have weakened immune systems) which should have a positive effect on the trial outcome.

The Phase II trial, which will be conducted in less severely ill patients, is not expected to experience an issue with patient recruitment.

Scancell's first group of patients receiving the lowest dose of SCIB1 has now been evaluated by the Cohort Review Committee. The review of the safety data of the first three patients after three treatments has resulted in the approval of an escalation of the dose and recruitment of the next group of patients which marks a positive progression in the trial.

Agreements and Collaborations

Scancell secured two key agreements during the period under review:

- A worldwide non-exclusive licensing agreement with the National Institutes of Health, an agency of the United States Department of Health and Human Services, for use of the melanoma antigens TRP-2 and gp100 as key components of SCIB1; and

- A licensing agreement with Cancer Research Technology Ltd, Cancer Research UK's commercialisation and development arm to use a human antibody known as 105AD7 for the development of new ImmunoBody® vaccines for any immunotherapy indication.

The Company also entered two important strategic collaborations in the period:

- With ImmuneRegen BioSciences, Inc.®, a wholly owned subsidiary of IR BioSciences Holdings, Inc. (OTC BB:IRBS.OB), to investigate the synergy between ImmuneRegen's Homspera® and Scancell's ImmunoBody® vaccine technologies. An initial treatment utilising a DNA vaccine based on the ImmunoBody® technology, in combination with Homspera® has shown a significantly improved immune response of the vaccine in an animal model. Follow-up studies are currently being performed to optimise the effects of Homspera in enhancing the next generation of Scancell's cancer vaccines; and

- With immatics biotechnologies GmbH to explore the development of novel ImmunoBody® vaccines for colorectal cancer.

Outlook

SCIB1's progress in the clinic remains on track, and the Board is delighted to have received the approval from the Cohort Review Committee to escalate the dose of SCIB1 and begin recruitment of the next group of patients.

As mentioned in the AGM Statement on the 14 December 2010, the delay experienced in patient recruitment might have resource implications for Scancell. It may be difficult to generate revenues from a commercial deal on the ImmunoBody® technology until the Phase I clinical trial has been completed in late 2011. It could therefore be necessary to augment the Company's capital resources to complete the Phase II study. However, the Board is confident that by recruiting earlier stage patients and opening both the announced Leeds centre and a fifth centre yet to be confirmed, Scancell remains well placed to complete the clinical study by the end of 2012.

The Directors believe that positive data from the SCIB1 study, along with SCIB2, the second ImmunoBody® product that the Company is designing and will test to the proof of principle stage, would significantly enhance the value of the business. The Company maintains its intention to position itself as a company with clinical stage products and the potential for a technology platform capable of generating a new product pipeline for a trade sale to a leading pharmaceutical or biotechnology company operating in the oncology market.

The Board is pleased with the Company's advancement over the period, and would like to thank all those involved with Scancell for their dedication and support that has enabled the progress to date.

David Evans
Chairman
Scancell Holdings plc
31 January 2011

Unaudited Consolidated Income Statement for the six months to 31st October 2010

		Unaudited six months 31/10/2010	Unaudited six months (restated) 31/09/2009	Audited Year to 30/04/2010
		£	£	£
REVENUE		-	-	-
Cost of sales		377,655	425,178	1,091,351
GROSS LOSS		(377,655)	(425,178)	(1,091,351)
Administrative Expenses		457,885	274,379	751,365
		(835,540)	(699,557)	(1,842,716)
Other operating Income		-	37,763	37,650
OPERATING LOSS		(835,540)	(661,794)	(1,805,066)
Interest receivable and similar income		620	1,782	2,427
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(834,920)	(660,012)	(1,802,639)
Tax on loss on ordinary activities		(32,750)	(33,876)	(65,510)
LOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		(802,170)	(626,136)	(1,737,129)
BASIC EARNINGS PER SHARE (pence)	(Note 2)	(5.0)	(6.1)	(16.2)

Unaudited Consolidated interim statement of financial position as at 31st October 2010

	Unaudited 31/10/2010 £	Unaudited (restated) 31/10/2009 £	Audited 30/04/2010 £
ASSETS			
Non-current assets			
Plant and equipment	119,231	79,437	131,763
Goodwill	3,415,120	3,415,120	3,415,120
	3,534,351	3,494,557	3,546,883
Current assets			
Trade and other receivables	121,495	132,462	57,819
Income tax assets	97,567	82,034	64,817
Cash and cash equivalents	1,740,925	1,104,229	2,830,145
	1,959,987	1,318,725	2,952,781
TOTAL ASSETS	5,494,338	4,813,282	6,499,664
LIABILITIES			
Current liabilities			
Trade and other payables	171,368	153,098	451,787
NET CURRENT ASSETS	1,788,619	1,165,627	2,500,994
NET ASSETS	5,322,970	4,660,184	6,047,877
TOTAL EQUITY			
Called up share capital	159,266	102,756	158,733
Share premium account	8,345,275	5,911,105	8,321,808
Retained earnings	(3,181,571)	(1,353,677)	(2,432,664)
Attributable to equity holders of the parent	5,322,970	4,660,184	6,047,877

Unaudited consolidated interim cash flow statement for the six month period to 31st October 2010

	Unaudited 6 months 31/10/2010 £	Unaudited 6 months (restated) 31/10/2009 £	Audited Year 30/04/2010 £
Loss from operations	(835,540)	(661,794)	(1,805,066)
Adjustments for:			
Depreciation and amortisation	16,236	11,324	22,649
Government Grants	-	(37,500)	(37,500)
Share based payment expense	53,263	32,006	64,012
Operating cash flows before movements in working capital	(766,041)	(655,964)	(1,755,905)
Movement in receivables	(63,676)	82,445	18,817
Movement in payables	(280,419)	(13,633)	232,696
Net cash (outflow)/ inflow from operations	(1,110,136)	(587,152)	(1,504,392)
Income taxes received	-	141,525	190,376
Net cash from/(used by) operating activities	(1,110,136)	(445,627)	(1,314,016)
Investing activities			
Purchases of plant and equipment	(3,704)	(8,496)	(72,148)
Interest received	620	1,782	2,427
Net cash used by investing activities	(3,084)	(6,714)	(69,721)
Financing activities			
Proceeds from issue of shares for cash	24,000	-	2,519,040
Grants received	-	37,500	175,772
Net cash from financing activities	24,000	37,500	2,694,812
Net increase/(decrease) in cash and cash equivalents	(1,089,220)	(414,841)	1,311,075
Cash and cash equivalents at beginning of period	2,830,145	1,519,070	1,519,070
Cash and cash equivalents at end of period	1,740,925	1,104,229	2,830,145

Unaudited consolidated interim statement of changes in equity

	Share Capital £	Share Premium Account £	Retained Earnings £	Total £
At 1st May 2010	158,733	8,321,808	(2,432,664)	6,047,877
Loss for the period	-	-	(802,170)	(802,170)
Share issue	533	23,467	-	24,000
Share based payments	-	-	53,263	53,263
At 31st October 2010	159,266	8,345,275	(3,181,571)	5,322,970
At 1st May 2009	102,756	5,911,105	(759,547)	5,254,314
Loss for the period	-	-	(626,136)	(626,136)
Share based payments	-	-	32,006	32,006
At 31st October 2009	102,756	5,911,105	(1,353,677)	4,660,184
At 1st May 2009	102,756	5,911,105	(759,547)	5,254,314
Loss for the year	-	-	(1,737,129)	(1,737,129)
Share issue	55,977	2,463,063	-	2,519,040
Share issue costs	-	(52,360)	-	(52,360)
Share option costs	-	-	64,012	64,012
At 30th April 2010	158,733	8,321,808	(2,432,664)	6,047,877

Notes to the Interim Financial Statements for the period to 31 October 2010

1. Basis of preparation

This interim statement for the six month period to 31st October 2010 is unaudited and was approved by the directors on 31st January 2011. The financial information contained in the interim report has been prepared in accordance with the accounting policies set out in the annual report and accounts for the year ended 30th April 2010.

The financial information contained in the interim report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the full preceding year is based on the statutory accounts for the year ended 30th April 2010. Thos accounts, upon which the auditors, Champion Accountants LLP, issued an unqualified audit opinion, and whose report did not contain any matters to which they drew attention by way of emphasis, nor contained a statement under section 498(2) or 498(3) of the Companies Act 2006, have been delivered to the Registrar of Companies.

As permitted, this interim report has been prepared in accordance with AIM Rule 18 and not in accordance with IAS 34 "Interim Financial Reporting" therefore it is not fully in compliance with IFRS as adopted by the European Union.

2. Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

The calculations of earnings per share are based on the following losses and numbers of shares.

	6 months to 31/10/2010	6 months to 31/10/2009	Year ended 30/04/2010
Loss after taxation	(802,170)	(626,136)	(1,737,129)
Weighted average number of shares	15,898,458	10,275,551	10,733,335
Basic earnings per share	(5.0)p	(6.1)p	(16.2)p

3. Taxation

Taxation for the six months ended 31st October 2010 is based on the effective rates of taxation which are estimated to apply for the year ended 30th April 2011.

4. Subsequent events

On 13 January 2011 the company issued 25,131 shares of 0.1 pence each at 95.5 pence per share in respect of annual advisory fees. At the date of this announcement there are 15,951,790 ordinary shares of 0.1 pence each in issue.

5. Interim results

These results were approved by the Board of Directors on Monday 31st January 2011. Copies of the interim report are available to the public from the Company's registered office and the Company's website, www.scancell.co.uk.